

McGinnes Industrial Maintenance Corporation

9590 Clay Road • Houston, Texas 77080 • 713-772-9100 • 832-668-3188 Fax

January 12, 2011

Via Email & FedEx Signature Required

Mr. Robert Werner
Superfund Enforcement Assessment (6SF-TE)
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

RECEIVED
11 JAN 18 PM 3:40
SUPERFUND DIV.
DIRECTOR'S OFFICE

Re: Financial Responsibility – Time Critical Removal Action (TCRA) and Remedial Investigation/Feasibility Study (RI/FS)
San Jacinto River Waste Pits (SJWP), Harris County, Texas
SSID No. 06ZQ, EPA ID No. TXN000606611

Dear Bob:

Attached with this letter are duplicate original financial assurance instruments for the Unilateral Administrative Order (UAO) – Remedial Investigation/Feasibility Study (RI/FS) and the Agreement and Order on Consent (AOC) - Time Critical Removal Action (TCRA). These duplicate originals are being submitted in response to your email dated January 6, 2011. According to our records, the original instruments were submitted as required by the UAO and AOC. Below is a chronology of submittals for the original financial assurance instruments.

Unilateral Administrative Order (UAO) Financial Assurance Instrument – RI/FS

As required by U.S. Environmental Protection Agency's (EPA) Special Notice Letter to McGinnes Industrial Maintenance Corporation (MIMC) on July 17, 2009, the potentially responsible parties (PRP's) submitted a Joint Good Faith Offer to the EPA on September 9, 2009. The Good Faith Offer included proof of MIMC's ability to provide one half the financial responsibilities for the SJWP RI/FS. Note that the original bond was submitted with the Joint Good Faith Offer as Attachment 2. See attached September 18, 2009 Letter. Since the bond was set to expire on September 18, 2010, MIMC submitted an original Continuation Certificate and Rider for the Performance Bond for the above referenced RI/FS to EPA on September 14, 2010. See attached September 14, 2010 Letter.

Agreement and Order on Consent (AOC) Financial Assurance Instrument - TCRA

In accordance with Section XXVI, Financial Assurance, paragraph 100, of the Time Critical Removal Action, Administrative Settlement Agreement and Order on Consent for Removal Action, effective May 17, 2010, MIMC and International Paper Company, collectively Respondents, are to establish and maintain financial security for the benefit of EPA in order to ensure the full and final completion of the Work by Respondents. The original amount of the financial assurance requested by EPA was \$1,500,000.00. In response, MIMC submitted an original surety bond for \$750,000.00, representing MIMC's portion of the required financial

assurance, on June 14, 2010. See attached June 14, 2010 Letter. In a letter dated October 22, 2010, EPA requested that the financial assurance be increased to \$7,000,000.00 to cover increase engineering and construction costs. In response to this letter, MIMC increased its surety amount to \$3,500,000.00, which represented MIMC's portion of the required financial assurance. The original rider for the bond and power of attorney for the increase bond amount was submitted to the EPA on November 18, 2010. See attached November 18, 2010 Letter.

If you have any questions or require additional information, please contact me at (713) 772-9100 ext. 109.

Best regards,



Andrew L. Shafer, P.E.
McGinnes Industrial Maintenance Corporation

Enclosures

ALS/me

cc: Ms. Barbara Nann, US EPA Region 6 (*PDF - Via Email*)
Mr. John Cermak, International Paper (*PDF-Via Email*)
Mr. Al Axe, MIMC (*PDF-Via Email*)
Mr. Francis Chin, MIMC (*PDF-Via Email*)

ENCLOSURES

401 Congress Avenue
Suite 2100
Austin, Texas 78701

512.370.2800 OFFICE
512.370.2850 FAX
winstead.com

direct dial: 512.370.2806
aaxe@winstead.com

September 18, 2009

Ms. Barbara Nann, Attorney
U.S. Environmental Protection Agency, Region 6
Office of Regional Counsel
Superfund Branch (6RC-S)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

*Via Email & Certified Mail/
Return Receipt Requested*

Re: Joint Good Faith Offer
San Jacinto River Waste Pits, Harris County, Texas
SSID No. 06ZQ, EPA ID No. TXN000606611

Dear Ms. Nann:

In response to the special notice letters dated July 17, 2009, from the United States Environmental Protection Agency ("EPA") Region 6 to McGinnes Industrial Maintenance Corporation ("MIMC") and to International Paper Company ("IPC"), MIMC and IPC (collectively "the Parties") hereby submit this Good Faith Offer in accordance with Section VI of EPA's special notice letters with regard to the Site, as such term is defined and discussed below.¹

While submitted by counsel for MIMC, this letter reflects the position of IPC with respect to the Good Faith Offer. Albert Axe is not representing IPC in any capacity, but both IPC and MIMC felt this joint letter was appropriate at this juncture.

1. Unconditional Statement that MIMC and IPC are willing to perform and pay for a Engineering Evaluation/Cost Analysis (Removal Action) of the San Jacinto Waste Pits original source site, i.e., the 20.6 acre Site, and a Focused Remedial Investigation (FRI) of the Area North of I-10 in the San Jacinto River Basin.

¹ Nothing in this letter should be viewed as an admission by MIMC or IPC of the factual and legal statements made in EPA's special notice letters.

MIMC and IPC, subject to the negotiation of acceptable terms of an Administrative Order on Consent ("AOC") and Statement of Work ("SOW"), are willing to perform a Engineering Evaluation/Cost Analysis of the Site and a Focused Remedial Investigation, as defined and discussed below in Section A.

A. Proposed removal action

1. Engineering Evaluation/Cost Analysis ("EE/CA")

The Parties propose to enter into an AOC that would authorize them to move forward expeditiously with a non-time-critical removal action to complete the design and construction of a confined disposal facility ("CDF") with stabilized berms along the perimeter of the approximate 11.7 acre Waste Pits located at the 20.6 acre Site as defined in the AOC proposed by EPA and attached as Exhibit 3 to the Special Notice Letter. The purpose of this removal action would be to cut off any alleged ongoing releases of hazardous substances from the original Waste Pit area. This removal action will be completed under an EE/CA and will include the investigation, design, and construction of a CDF. The EE/CA analysis will include Site characterization and streamlined risk assessment for the impoundment area, identification of removal action objectives, identification of removal action alternatives, a comparative analysis of removal action alternatives, and a recommended removal action alternative. The EE/CA analysis will be followed by a Design Analysis Report, which will include the engineering design drawings for the removal action.

2. Focused Remedial Investigation

Parallel to the design and construction of the CDF at the Site, as described above, the Parties will perform an EE/CA and FRI. The FRI will be conducted in the areas to the West, Northwest, North, Northeast, and East of the Site, all North of Interstate 10. This investigation will accomplish the following goals:

- The FRI will determine the existence and nature of any alleged release that may be occurring from the 20.6 acre Site, north of Interstate 10.
- The FRI will result in the development of information regarding the quantity of contaminated sediments that may require disposal in the CDF. This will assist in the final design of the CDF.
- The FRI will assist the EPA and Parties in further assessing the impact of dredging on the original 20.6 acre Site. This should assist EPA in identifying and taking appropriate action with regard to additional Potentially Responsible Parties ("PRPs").
- The FRI will assist EPA in evaluating the proper scope of additional investigative work, if any, that may be necessary relative to the 20.6 acre Site

and the separate source area apparently created on property West of the Site, as discussed below.

B. Definition of Site

MIMC and IPC agree with the definition of the "Site" contained in the proposed AOC contained in Exhibit 3 to the Special Notice Letter, i.e., an "approximately 20.6 acre tract of land bounded on the south by Interstate Highway 10, on the east by the San Jacinto River main channel, and on the north and west by shallow water off the River's main channel..."

At a meeting in EPA Region 6's offices between EPA, IPC and MIMC on August 11, 2009 ("August 11 Meeting"), MIMC presented information to EPA demonstrating that dredging activity conducted on the property believed to be owned by Big Star Barge & Boat Company, Inc. ("Big Star") to the north and west of the Site and now largely inundated by the San Jacinto River (labeled as "B" and "C" on the attached map - Exhibit 1) apparently has impacted area north of I-10, including the Site. The presentation showed that the dredging activity conducted in the late 1997-1998 time frame apparently resulted in the removal of the levee and waste material on the Northwest corner of the Waste Pits and the disposal of those materials on the strip of Big Star property labeled as "C" on the attached Exhibit 1. The dredging activity also apparently contributed to the erosion and removal of the levee on the Northeast side of the Site, resulting in the inundation of the eastern portion of the Site by the San Jacinto River sometime after 1998 and subsequent distribution of previously confined waste to the northwest and southeast of the Waste Pits.

This dredging activity appears to have been conducted pursuant to Permit No. 19284 issued by the US Army Corps of Engineers ("USACOE") to Houston International Terminal ("HIT"), an affiliate of Big Star. Records obtained from USACOE show that the dredging conducted pursuant to Permit No. 19284 was primarily conducted by MegaSand Enterprises, Inc. under contract with HIT and/or Big Star. The President of Big Star and HIT, Captain Jack Roberts, had actual knowledge of the waste disposal operations conducted on the Site, as evidenced by a transcribed statement made by Captain Roberts to EPA, a copy of which is in EPA's files for the Site. The area permitted by the USACOE for dredging pursuant to Permit No. 19284 did not include the Site, yet the dredging activity appears to have gone outside the permitted area and appears to have directly impacted the Site. Based on the aerial photos shown at the August 11 Meeting, the Waste Pit levees were intact until the dredging commenced in the 1997-1998 time frame. Moreover, the Big Star property located North and West of the Site where the alleged dredging activity occurred and where dioxin concentrations have been documented, is upstream of the Site.

It also appears that the areas to the South and East of the Site may also have been impacted by the alleged dredging activity. Based on the aerial photos presented at the August 11 Meeting, the Waste Pit levees were intact until the alleged dredging

commenced. Furthermore, the presentation showed that the alleged dredging activity apparently created a channel in the San Jacinto River that may have resulted in the erosion and deterioration of the levees on the Northeast side of the Waste Pits.

As a result of the alleged impact of the dredging activity in the area of the Site, Big Star, HIT, and MegaSand (hereinafter referred to collectively as the "Dredging PRPs") appear to qualify as PRPs for a new dioxin source area created on the Big Star property labeled as "B" and "C" on the attached Exhibit 1. Big Star appears to be a PRP for this new source area since it is both a current and past owner of the property. HIT, as the apparent permittee for the dredging activities in the area, is a past operator and an arranger. HIT's president, Captain Jack Roberts, knew about the waste disposed of on the Site yet still allowed that material to be dredged and deposited at another location upstream from the Site. MegaSand, the company that apparently dredged the area, is a generator, arranger, transporter and operator at this new site.

The Dredging PRPs appear to have created a new dioxin source area that is likely indistinguishable from the Site by fingerprinting, but is geographically divisible from the original 20.6 acre Site. The evidence appears to show that newly generated waste, which had previously been securely disposed of at the Site, was moved and re-deposited in this new source area up river of the Site and that contamination of the San Jacinto River apparently resulted from a release of dioxin from this new source area.

MIMC and IPC are not responsible under CERCLA for this new source area or the contamination emanating from this area because they contend as to their respective companies:

- that they never owned or operated the new source area located at the Big Star property.
- that they did not arrange for the disposal of wastes or transported waste to, the new source area located on the Big Star property.
- their actions have not resulted in releases of hazardous substances from the Site that have impacted the Big Star property to the North or West of the Site because such property is upstream of the Site.
- the hazardous substances located at the new source area and other property downstream of this area was newly generated by the dredging activities.

Thus, the Parties urge EPA to move forward with the preparation and mailing of Notice Letters and CERCLA §104(e) requests for information to the Dredging PRPs.

C. Access

MIMC contends that neither the Site nor the area adjacent to the Site is owned by MIMC. IPC contends that neither the Site nor the area adjacent to the Site is owned by IPC. Therefore, in order to move forward expeditiously to fence and contain the Site and investigate the areas adjacent to the Site, the Parties propose that EPA use its removal action authority under Sections 104 and 122 of CERCLA to obtain access for the Parties to effectuate the removal actions described herein. If EPA does not take such action, valuable time will be wasted and expenses incurred attempting to resolve the access issue.

MIMC has previously provided EPA with a copy of the deed to the Site, showing ownership in the name of Virgil C. McGinnes, Trustee. MIMC contends that no trust agreement or other writing or evidence has been located evidencing intent on the part of Mr. McGinnes to purchase or hold the Site for the benefit of another party. MIMC further contends that the Site was not subsequently conveyed out of any "trust" and because no evidence of a trust exists, record title to the Site is deemed to be in the named trustee (i.e., Virgil C. McGinnes). Virgil C. McGinnes is now deceased. The Site was not included in his Estate; thus, current ownership of the Site is unclear. In this situation, it is important for EPA to use its legal authority to gain access to the Site so that work at the Site can commence.

IPC has insufficient information regarding the ownership of the Site (other than its own knowledge that it does not own the Site) to address MIMC's above statements and assertions.

With respect to the property adjacent to the Site, MIMC has provided EPA information showing that Big Star purportedly owns several tracts of property adjacent to the Site to the North and West (as shown on the attached map). However, much of this property, particularly the area labeled as "B" on Exhibit 1, is now inundated by the San Jacinto River. Therefore, this area now is arguably owned by the Port of Houston Authority ("POHA"). Given this situation, the Parties will attempt to contact both Big Star and the POHA to try to arrange an access agreement for the EE/CA work and FRI and will report back to EPA on the results of their efforts. If the Parties are unsuccessful in their efforts to gain access to these off-site areas, EPA will be asked to utilize its CERCLA authority to gain access for the proposed work.

2. Proof of Technical Skill

The Parties currently intend to utilize the services of Anchor QEA to perform the proposed removal action and FRI. A statement of Anchor's qualifications is attached as Attachment 1.

3. Oversight Response Costs

The Parties are willing to pay EPA for oversight response costs related to the Site and for future costs to be paid by EPA in overseeing the conduct of the proposed work at the Site that are not inconsistent with the National Contingency Plan.

4. MIMC's and IPC's Financial Responsibility

Proof of MIMC's ability to pay for the Removal Action and FRI is attached as Attachment 2. IPC in turn refers EPA to its filings with the Securities and Exchange Commission, including its form 10-K filed February 26, 2009, for the fiscal year ended December 31, 2009, which includes, *inter alia*, a five year financial summary.

5. Schedule

The Parties are willing to begin work on the Removal Action of the Site and the FRI of the area nearby the Site, as defined in Section A, in keeping with a schedule to be detailed in a finally negotiated Removal Action and FRI AOC and SOW. This removal action will prevent any alleged release that may be occurring from the original source site, i.e., the 20.6 acre Site, and the FRI will provide information necessary for future decisions relative to actions to be taken in the area.

6. General Work Plan

A general work plan describing how and when the Parties will do the major parts of the EE/CA on the Site and the focused FRI in the area North of Interstate 10 is attached as Attachment 3.

7. MIMC's and IPC's Representatives

MIMC will be represented in negotiations by the following:

Albert R. Axe, Jr.	Francis E. Chin	March Smith
Winstead PC	MIMC	MIMC
401 Congress Avenue	1001 Fannin Street	1000 Parkwood Circle
Suite 2100	Suite 4000	Suite 700
Austin, TX 78701	Houston, Texas 77002	Atlanta, GA 30339
512/370-2806	713/328-7187	770/805-3520

Ms. Barbara Nann
September 18, 2009
Page 7

IPC will be represented in negotiations by the following:

John F. Cermak, Jr.
Baker Hostetler LLP
12100 Wilshire Boulevard
Suite 1500
Los Angeles, CA 90025
310/442-8864

Elton L. Parker
International Paper Company
6400 Poplar Avenue
Memphis, TN 38197
901/419-4724

Please let me know if you have any questions regarding this matter.

Sincerely,



Albert R. Axe, Jr.

ARA:ltm

Enclosures

cc: Elton L. Parker, IPC
John F. Cermak, Jr., IPC
Francis Chin, MIMC
March Smith, MIMC
David Keith, Anchor QEA

PERFORMANCE BOND
BOND NO 1036654

KNOW ALL MEN BY THESE PRESENTS, that we, McGinnes Industrial Maintenance Corporation
1-10 & San Jacinto River, Channelview, TX 77530
(hereinafter called the "Principal"), as Principal, and the LEXON Insurance Company
(hereinafter called the "Surety"), as Surety, are held and firmly bound unto United States Environmental Protection
Agency, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, (hereinafter called the
"Obligee"), as Obligee, in the sum of Two Million and 00/100
(\$ 2,000,000.00), for the payment of which sum well and truly to be made, we the said Principal and the said
Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

WHEREAS, the Principal has entered into a (written) agreement (hereinafter called the "Agreement") with the Obligee
for EPA Special Notice Letter - RI/FS which
Agreement is hereby referred to and made a part hereof as if fully set forth herein;

NOW THEREFORE, the condition of this obligation is such that if the Principal shall well and truly keep all the terms
and conditions as outlined in said Agreement then this obligation shall be null and void; otherwise to remain in full
force and effect.

PROVIDED, HOWEVER, this bond is executed by the Surety and accepted by the Obligee subject to the following
conditions:

1. No assignment of this bond shall be effective without the written consent of the Surety.
2. This obligation may be terminated by the Surety by thirty (30) days advance written notice to the Obligee, such
notice to be sent by registered mail. Such termination shall not affect liability incurred under this obligation prior
to the effective date of such termination.
3. PROVIDED, HOWEVER, it shall be a condition precedent to any right of recovery hereunder that, in the event of
any breach of the Agreement on the part of the Principal, a written statement of the particular facts stating the
nature of such breach shall be given as soon as reasonably possible by the Obligee to the Surety and the Surety
shall not be obligated to perform Principal's obligation until thirty (30) days after Surety's receipt of such
statement.
4. No action, suit or proceeding shall be had or maintained against the Surety on this bond unless the same be
brought or instituted within sixty (60) days after the termination or release of this bond.
5. Under no circumstances shall the aggregate liability of the Surety exceed the penal sum above stated.
6. This bond shall be effective from 9/18/2009 to 9/18/2010.

IN WITNESS WHEREOF, said Principal and said Surety have caused these presents to be executed and their seals
affixed this 14th day of September, 2009.

McGinnes Industrial Maintenance Corporation
(Principal)

By: [Signature]
Vice President

LEXON Insurance Company
(Surety)

By: [Signature]
Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 78605

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint:

Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, ****

Sandra F. Harper, Myrtie F. Henry, Julie Radican, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn **

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.



LEXON INSURANCE COMPANY

BY

David E. Campbell
David E. Campbell
President

ACKNOWLEDGEMENT

On this 2nd day of July, 2003, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this 14th Day of September 2009.



Donald D. Buchanan
Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

McGinnes Industrial Maintenance Corporation

9590 Clay Road • Houston, Texas 77080 • 713-772-9100 • 832-668-3188 Fax

September 14, 2010

Mr. Steve Tzhone, Remedial Project Manager
U.S. Environmental Protection Agency, Region 6
Superfund Branch (6SF-RA)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Re: Financial Responsibility – Remedial Investigation and Feasibility Study (RI/FS)
San Jacinto River Waste Pits (SJWP), Harris County, Texas
SSID No. 06ZQ, EPA ID No. TXN000606611

Dear Mr. Tzhone:

As required by the EPA Special Notice Letter to MIMC on July 17, 2009, the potentially responsible parties (PRP's) submitted a Joint Good Faith Offer to the EPA on September 9, 2009. The Good Faith Offer included proof of MIMC's ability to provide one half the financial responsibility for the SJWP RI/FS. Note that the previous bond submitted with the Joint Good Faith Offer was set to expire on September 18, 2010. Attached are the Continuation Certificate and Rider for the Performance Bond for the above referenced RI/FS.

If you have any questions or require additional information, please feel free to give me a call at 713-773-9100, ext. 109. Thanks and best regards,

MIMC



Andrew L. Shafer, P.E.
Project Manager

Attachment
ALS/me

XC: March Smith – (pdf- email)-w/attachment
Francis Chin – (pdf-email)-w/attachment
Al Axe – (pdf-email)-w/attachment

CONTINUATION CERTIFICATE

The LEXON Insurance Company, 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, as Surety on bond number 1036654 issued on the 18th day of SEPTEMBER, 2009, in the amount of TWO MILLION AND 00/100 Dollars (\$2,000,000.00), on behalf of McGinnes Industrial Maintenance Corporation, 1-10 San Jacinto River, Channelview, TX 77530, in favor of the United States Environmental Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, hereby continues said bond in the amount of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 Dollars (\$1,500,000.00), for the period beginning the 18th day of SEPTEMBER, 2010 and ending on the 18th day of SEPTEMBER, 2011 subject to all covenants and conditions as set forth and expressed in said bond.

This Continuation Certificate is executed upon the express condition that the Company's liability under said bond and this and all Continuation Certificates issued in connection therewith shall not be cumulative and shall not in any event exceed the sum of the said bond in force at the time of default.

Signed and sealed this 27th day of AUGUST, 2010.

McGinnes Industrial Maintenance Corporation

(Principal)

By: March Smith

(Title) It's Vice President

LEXON Insurance Company

(Surety)

By: Jackie C. Koestel

Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 78296

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell,

James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.



LEXON INSURANCE COMPANY

BY

David E. Campbell
David E. Campbell
President

ACKNOWLEDGEMENT

On this 2nd day of July, 2003, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this 27th Day of August, 2010.



Donald D. Buchanan
Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Bond No. 1036654

RIDER

To be attached to and form a part of Performance Bond, No. 1036654

dated the 18th day of September, 2009 issued by

LEXON Insurance Company, 10002 Shelbyville Road, Louisville, KY 40223

as Surety, on behalf of

McGinnes Industrial Maintenance Corporation, 1-10 & San Jacinto River, Channelview, TX 77530

, as Principal,

Two Million and 00/100

in the penal sum of _____

Dollars (\$ 2,000,000.00), and in favor of United States Environmental Protection Agency
1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

This rider will change and amend the bond penalty as follows:

Current Bond Amount: \$2,000,000.00

Total New Bond Amount: \$1,500,000.00

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 18th day of September, 2010

Signed, sealed and dated this 27th day of August, 2010

WITNESS:

Barkana Burnett

PRINCIPAL

McGinnes Industrial Maintenance Corporation

By

Mauch Smith
It's Vice President

WITNESS:

Sandra F. Harper

LEXON Insurance Company

By

Jackie C. Koestel

Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 79566

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: **Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell,**

James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.

**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 2nd day of July, 2003, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this 27th Day of August, 2010.



Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

McGinnes Industrial Maintenance Corporation

1001 Fannin, Suite 4000 • Houston, Texas 77002 • 713-512-6200 • 713-287-2654 Fax

June 14, 2010

Mr. Valmichael Leos
EPA Project Coordinator (6SF-RA)
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Via Email & Certified Mail/Return Receipt Requested

Re: San Jacinto River Waste Pits Superfund Site near Pasadena, Harris County, Texas

Dear Valmichael:

In accordance with Section XXVI, Financial Assurance, paragraph 100, of the Administrative Settlement Agreement and Order on Consent for Removal Action, effective May 17, 2010, McGinnes Industrial Maintenance Corporation (MIMC) and International Paper Company, collectively Respondents, are to establish and maintain financial security for the benefit of the U.S. Environmental Protection Agency in order to ensure the full and final completion of the Work by Respondents. Attached to this document is MIMC's surety bond in the amount of \$750,000.00, which represents MIMC's portion of the required financial assurance.

If you have any questions, please contact me at (713) 328-7187.

Best regards,



Francis E. Chin
McGinnes Industrial Maintenance Corporation

Enclosure

cc: Ms. Barbara Nann, US EPA Region 6 (*Via Email & Regular Mail*)
Mr. John Cermak, International Paper
Mr. Al Axe, MIMC

POWER OF ATTORNEY

LX - 75054

Lexon Insurance Company

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Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, *****

Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn *****

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

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Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.



LEXON INSURANCE COMPANY

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David E. Campbell
President

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"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

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Signed and Sealed at Lombard, Illinois this 16th Day of June, 20 10



Donald D. Buchanan
Secretary

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PAYMENT BOND

BOND NO 1055284

KNOW ALL BY THESE PRESENTS, That, we McGinnes Industrial Maintenance Corporation, I-10 & San Jacinto River, Channelview, TX 77530 as Principal, hereinafter called Principal, and Lexon Insurance Company, 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, a Texas Corporation, as Surety, are held and firmly bound unto United States Environmental Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, as Obligor, hereinafter called Owner, for the use and benefit of Claimants as herein defined, in the amount of **Seven Hundred Fifty Thousand and 00/100— Dollars (\$ 750,000.00)**, for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated May 17, 2010 entered into a contract with Owner for **Administrative Settlement Agreement and Order on Consent for Removal Action - AOC Time Critical Removal Action** in accordance with the terms and conditions of said contract, which is hereby referred to and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the Principal shall promptly make payment to all Claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant is defined as one having a direct Contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract.
2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every Claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such Claimant's work or labor was done or performed, or materials were furnished by such Claimant, may sue on this bond for the use of such Claimant, prosecute the suit to final judgment for such sum or sums as may be justly due Claimant, and have execution thereon.
3. No suit or action shall be commenced hereunder by any Claimant.
 - a) Unless Claimant, other than one having a direct Contract with the Principal, shall have given notice to any two of the following: The Principal, the Owner, or the Surety above named, within ninety (90) days after such Claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made.
 - b) After the expiration of one (1) year following the date on which Principal ceased work on said Contract. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
 - c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.
4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

Signed and sealed this 16th day of June, 2010.

McGinnes Industrial Maintenance Corporation

Principal

By

Donna L. Meals
Donna L. Meals, Authorized Representative

Lexon Insurance Company

Surety

By

Sandra F. Harper
Sandra F. Harper, Attorney-in-fact

McGinnes Industrial Maintenance Corporation

9590 Clay Road • Houston, Texas 77080 • 713-772-9100 • 832-668-3188 Fax

November 18, 2010

Via Email & UPS Signature Required

Mr. Valmichael Leos
EPA Project Remedial Project Manager (6SF-RA)
U.S. Environmental Protection Agency, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Re: Financial Responsibility – Time Critical Removal Action (TCRA)
San Jacinto River Waste Pits (SJWP), Harris County, Texas
SSID No. 06ZQ, EPA ID No. TXN000606611


Dear Valmichael:

In accordance with Section XXVI, Financial Assurance, paragraph 100, of the Time Critical Removal Action, Administrative Settlement Agreement and Order on Consent for Removal Action, effective May 17, 2010, McGinnes Industrial Maintenance Corporation (MIMC) and International Paper Company, collectively Respondents, are to establish and maintain financial security for the benefit of the U.S. Environmental Protection Agency (EPA) in order to ensure the full and final completion of the Work by Respondents. The original amount of the financial assurance requested by EPA was \$1,500,000.00. In response, MIMC submitted a surety bond for \$750,000.00, representing MIMC's portion of the required financial assurance, on June 14, 2010.

In a letter dated October 22, 2010, EPA requested that the financial assurance be increased to \$7,000,000.00 to cover increase engineering and construction costs. Attached to this letter is MIMC's surety amount of \$3,500,000.00, which represents MIMC's portion of the required financial assurance.

If you have any questions, please contact me at (713) 772-9100 ext. 109.

Best regards,



Andrew L. Shafer, P.E.
McGinnes Industrial Maintenance Corporation

Enclosures

ALS/me

xc: Ms. Barbara Nann, US EPA Region 6 (*PDF - Via Email & UPS Signature Required*)
Mr. John Cermak, International Paper (*PDF-Via Email*)
Mr. Al Axe, MIMC (*PDF-Via Email*)
Mr. Francis Chin, MIMC (*PDF-Via Email*)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 75202-2733

October 22, 2010

David C. Keith
Anchor QEA, LLC
614 Magnolia Avenue

Ocean Springs, MS 39564 CERTIFIED MAIL RECEIPT # 7004 1160 0003 0354 5089

Re: Financial Assurance
Administrative Order on Consent for Time Critical Removal Action
CERCLA Docket No. 06-12-10
San Jacinto River Waste Pits Superfund Site near Pasadena, Harris County, Texas

Dear Mr. Keith:

This letter serves as notice that the Environmental Protection Agency (EPA) has determined that the anticipated costs of completing the Work in the Administrative Order on Consent for Time Critical Removal Action, CERCLA Docket No. 06-12-10, has increased from \$1,500,000 to \$7,000,000. Respondents have within thirty (30) days of receipt of this notice letter to obtain and present to EPA for approval a revised form of financial assurance for \$7,000,000 that reflects the Work cost increase.

If you have any questions concerning this matter, please contact me at (214) 665-2283.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Valmichael Laos", is written over the "Sincerely yours," text.

Valmichael Laos
Remedial Project Manager

cc: McGinnes Industrial Maintenance Corporation
International Paper Company

Bond No. 1055284

RIDER

To be attached to and form a part of Payment Bond, No. 1055284
dated the 16th day of June, 2010 issued by
LEXON Insurance Company, 10002 Shelbyville Road, Louisville, KY 40223
as Surety, on behalf of
McGinnes Industrial Maintenance Corporation, 1-10 & San Jacinto River, Channelview, TX 77530, as Principal,
Seven Hundred Fifty Thousand and 00/100
in the penal sum of _____
Dollars (\$ 750,000.00), and in favor of United State Environmental Protection Agency
1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

This rider will change and amend the bond penalty as follows:

Current Bond Amount: \$750,000.00
Total New Bond Amount: \$3,500,000.00

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 1st day of November, 2010

Signed, sealed and dated this 1st day of November, 2010

WITNESS:




PRINCIPAL


McGinnes Industrial Maintenance Corporation

By 
Donna L. Meals, Authorized Representative

WITNESS:



LEXON Insurance Company

By 
Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 034568

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint:

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James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity, or other writings obligatory in nature of a bond not to exceed \$5,000,000.00 Five million dollars dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.



LEXON INSURANCE COMPANY

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 2nd day of July, 2003, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this 1st Day of November, 2010.



Donald D. Buchanan
Secretary

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DUPLICATE ORIGINAL FINANCIAL ASSURANCE INSTRUMENTS

CONTINUATION CERTIFICATE

Duplicate Original

The LEXON Insurance Company, 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, as Surety on bond number 1036654 issued on the 18th day of SEPTEMBER, 2009, in the amount of TWO MILLION AND 00/100 Dollars (\$2,000,000.00), on behalf of McGinnes Industrial Maintenance Corporation, 1-10 San Jacinto River, Channelview, TX 77530, in favor of the United States Environmental Protection Agency, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, hereby continues said bond in the amount of ONE MILLION FIVE HUNDRED THOUSAND AND 00/100 Dollars (\$1,500,000.00), for the period beginning the 18th day of SEPTEMBER, 2010 and ending on the 18th day of SEPTEMBER, 2011 subject to all covenants and conditions as set forth and expressed in said bond.

This Continuation Certificate is executed upon the express condition that the Company's liability under said bond and this and all Continuation Certificates issued in connection therewith shall not be cumulative and shall not in any event exceed the sum of the said bond in force at the time of default.

Signed and sealed this 27th day of AUGUST, 2010.

McGinnes Industrial Maintenance Corporation

(Principal)

By: March Smith

(Title) Vice President

LEXON Insurance Company

(Surety)

By: Jackie C. Koestel

Jackie C. Koestel, Attorney-in-Fact

Lexon Insurance Company

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This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

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IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.

**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

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Signed and Sealed at Woodridge, Illinois this 27th Day of August, 2010.



Donald D. Buchanan
Secretary

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Duplicate Original

Bond No. 1036654

RIDER

To be attached to and form a part of Performance Bond, No. 1036654
dated the 18th day of September, 2009 issued by
LEXON Insurance Company, 10002 Shelbyville Road, Louisville, KY 40223
as Surety, on behalf of
McGinnes Industrial Maintenance Corporation, 1-10 & San Jacinto River, Channelview, TX 77530, as Principal,
Two Million and 00/100
in the penal sum of _____
Dollars (\$ 2,000,000.00), and in favor of United States Environmental Protection Agency
1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

This rider will change and amend the bond penalty as follows:

Current Bond Amount: \$2,000,000.00
Total New Bond Amount: \$1,500,000.00

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 18th day of September, 2010

Signed, sealed and dated this 27th day of August, 2010

WITNESS:

Melanie Smith

PRINCIPAL

McGinnes Industrial Maintenance Corporation

By March Smith

It's VP

WITNESS:

Sandra F. Harper

LEXON Insurance Company

By

Jackie C. Koestel

Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 84679

Lexon Insurance Company

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**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

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"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

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Signed and Sealed at Woodridge, Illinois this 27th Day of August, 2010.



Donald D. Buchanan
Secretary

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PERFORMANCE BOND
BOND NO 1036654

Duplicate Original

KNOW ALL MEN BY THESE PRESENTS, that we, McGinnes Industrial Maintenance Corporation,
1-10 & San Jacinto River, Channelview, TX 77530
(hereinafter called the "Principal"), as Principal, and the LEXON Insurance Company
(hereinafter called the "Surety"), as Surety, are held and firmly bound unto United States Environmental Protection
Agency, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, (hereinafter called the
"Obligee"), as Obligee, in the sum of Two Million and 00/100
(\$ 2,000,000.00), for the payment of which sum well and truly to be made, we the said Principal and the said
Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by
these presents.

WHEREAS, the Principal has entered into a (written) agreement (hereinafter called the "Agreement") with the Obligee
for EPA Special Notice Letter - RI/FS which
Agreement is hereby referred to and made a part hereof as if fully set forth herein;

NOW THEREFORE, the condition of this obligation is such that if the Principal shall well and truly keep all the terms
and conditions as outlined in said Agreement then this obligation shall be null and void; otherwise to remain in full
force and effect.

PROVIDED, HOWEVER, this bond is executed by the Surety and accepted by the Obligee subject to the following
conditions:

1. No assignment of this bond shall be effective without the written consent of the Surety.
2. This obligation may be terminated by the Surety by thirty (30) days advance written notice to the Obligee, such
notice to be sent by registered mail. Such termination shall not affect liability incurred under this obligation prior
to the effective date of such termination.
3. PROVIDED, HOWEVER, it shall be a condition precedent to any right of recovery hereunder that, in the event of
any breach of the Agreement on the part of the Principal, a written statement of the particular facts stating the
nature of such breach shall be given as soon as reasonably possible by the Obligee to the Surety and the Surety
shall not be obligated to perform Principal's obligation until thirty (30) days after Surety's receipt of such
statement.
4. No action, suit or proceeding shall be had or maintained against the Surety on this bond unless the same be
brought or instituted within sixty (60) days after the termination of release of this bond.
5. Under no circumstances shall the aggregate liability of the Surety exceed the penal sum above stated.
6. This bond shall be effective from 9/18/2009 to 9/18/2010.

IN WITNESS WHEREOF, said Principal and said Surety have caused these presents to be executed and their seals
affixed this 14th day of September, 2009.

McGinnes Industrial Maintenance Corporation
(Principal)

By: Mauch Smith I+VP

LEXON Insurance Company
(Surety)

By: Jackie C. Koestel
Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 84678

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: **Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell,**

James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.

**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 14th Day of September, 2009.



Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

Duplicate Original

Bond No. 1055284

RIDER

To be attached to and form a part of Payment Bond, No. 1055284
dated the 16th day of June, 2010 issued by
LEXON Insurance Company, 10002 Shelbyville Road, Louisville, KY 40223 as Surety, on behalf of
McGinnes Industrial Maintenance Corporation, 1-10 & San Jacinto River, Channelview, TX 77530, as Principal,
Seven Hundred Fifty Thousand and 00/100
in the penal sum of _____
Dollars (\$ 750,000.00), and in favor of United State Environmental Protection Agency
1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733

In consideration of the premium charged for the attached bond, it is hereby agreed that the attached bond be amended as follows:

This rider will change and amend the bond penalty as follows:

Current Bond Amount: \$750,000.00
Total New Bond Amount: \$3,500,000.00

Provided, However, that the attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified, and further that the liability of the Surety under the attached bond and the attached bond as amended by this rider shall not be cumulative.

This rider shall become effective as of the 1st day of November, 2010
Signed, sealed and dated this 1st day of November, 2010

WITNESS:

Melanie Smith

PRINCIPAL

McGinnes Industrial Maintenance Corporation

By

Maech Smith
It's VP

WITNESS:

Sandra F. Harper

LEXON Insurance Company

By

Jackie C. Koestel

Jackie C. Koestel, Attorney-in-Fact

POWER OF ATTORNEY

LX - 037368

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint Brook T. Smith, Kathy Hobbs, Raymond M. Hundley, Jason D. Cromwell,

James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of **LEXON INSURANCE COMPANY** on the 1st day of July, 2003 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 5,000,000.00 Five million dollars dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 2nd day of July, 2003.

**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

ACKNOWLEDGEMENT

On this 2nd day of July, 2003, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of **LEXON INSURANCE COMPANY**, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 1st Day of November, 2010.



Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

POWER OF ATTORNEY

LX - 84684

Lexon Insurance Company

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James H. Martin, Sandra F. Harper, Myrtie F. Henry, Virginia E. Woolridge, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn

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Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$2,500,000.00, Two-million five hundred thousand dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.

**LEXON INSURANCE COMPANY**

BY

David E. Campbell
President

ACKNOWLEDGEMENT

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"OFFICIAL SEAL"
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 16th Day of June, 2010.



Donald D. Buchanan
Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

PAYMENT BOND

Duplicate Original

BOND NO 1055284

KNOW ALL BY THESE PRESENTS, That, we **McGinnes Industrial Maintenance Corporation**, I-10 & San Jacinto River, Channelview, TX 77530 as Principal, hereinafter called Principal, and **Lexon Insurance Company**, 10002 Shelbyville Road, Suite 100, Louisville, KY 40223, a Texas Corporation, as Surety, are held and firmly bound unto **United States Environmental Protection Agency**, 1445 Ross Avenue, Suite 1200, Dallas, TX 75202-2733, as Obligee, hereinafter called Owner, for the use and benefit of Claimants as herein defined, in the amount of **Seven Hundred Fifty Thousand and 00/100---- Dollars (\$ 750,000.00)**, for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has by written agreement dated May 17, 2010 entered into a contract with Owner for **Administrative Settlement Agreement and Order on Consent for Removal Action – AOC Time Critical Removal Action** in accordance with the terms and conditions of said contract, which is hereby referred to and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That if the Principal shall promptly make payment to all Claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A Claimant is defined as one having a direct Contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract.
2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every Claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such Claimant's work or labor was done or performed, or materials were furnished by such Claimant, may sue on this bond for the use of such Claimant, prosecute the suit to final judgment for such sum or sums as may be justly due Claimant, and have execution thereon.
3. No suit or action shall be commenced hereunder by any Claimant.
 - a) Unless Claimant, other than one having a direct Contract with the Principal, shall have given notice to any two of the following: The Principal, the Owner, or the Surety above named, within ninety (90) days after such Claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made.
 - b) After the expiration of one (1) year following the date on which Principal ceased work on said Contract. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
 - c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.
4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

Signed and sealed this 16th day of June, 2010.

McGinnes Industrial Maintenance Corporation
Principal

By Mauch Smith It's VP

Lexon Insurance Company
Surety

By Sandra F. Harper
Sandra F. Harper, Attorney-in-fact

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JANICE HILL
WASTE MANAGEMENT
1000 PARKWOOD CIRCLE
SUITE 700
ATLANTA, GA 30339
UNITED STATES US

SHIP DATE: 14 JAN 11
ACTWGT: 1.0 LB MAX
CAD: 691946/CAFE2471

BILL SENDER

TO MR. ROBERT WERNER
SUPERFUND ENFORCE A'MENT (6SF-TE)
U.S.E.P.A., REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS TX 752022733
(770) 805-3520
REF: M SMITH/USEPA WERNER



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The USE RBDA



ROBERT WERNER
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SUPERFUND
Sender:
JANICE HILL
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